



**National Securities Exchange Commission**

**Markets Area. Monitoring Division.**

Paseo de la Castellana, 19

**28043 – Madrid**

Madrid, October 27, 2006

Dear Sirs,

We hereby inform you that the company Aser Recuperación del Zinc, S.L. a one hundred percent (100%) subsidiary of Befesa Medio Ambiente, S.A., has signed a Share Purchase Agreement this very day for the acquisition of the 100% of the share capital of the Swedish company B.U.S. Group AB (and all its subsidiaries), for an enterprise value of 330 million euro.

The acquisition includes five operative companies dedicated to the recycling of wastes from the iron and steel industry in general and the stainless steel industry: two in Germany (B.U.S. Metall GmbH, and B.U.S. Zinkrecycling Freiberg GmbH & Co, KG), two in France (B.U.S. Valera SAS, and Recytech S.A ), and the Swedish company (B.U.S. ScanDust AB). These companies are complemented with the activity currently developed by our subsidiary Befesa Zinc Aser, which will be integrated into the aforementioned group. This will give rise to a homogenous ensemble of subsidiary companies, all dedicated to the same type of activity, with a diversified, although at the same time concentrated, geographical presence in the European marketplace. In 2006, the B.U.S. group expects to achieve sales of 201 million euro. Befesa's pro forma profit for the full year 2006 would have increased by 0.70 euro per share, with the integration of BUS.

The acquisition is conditioned exclusively to the advance authorization by the German competition authorities (The German Federal Cartel Office), and will be perfected once said authorization has been obtained.

The financing for the acquisition has been managed through a non-recourse project facility negotiated with Barclays, with a seven-year due date and an interest rate referenced to euribor plus a variable margin.

This new acquisition confirms both Abengoa's and Befesa's investment, growth and expansion policy and strengthens its leading position in the Spanish environmental sector, and consolidates its presence in the European sector through its Zinc Industrial Waste Recycling business activity.

Find enclosed the presentation for this operation.

That is all for the present and, in the meantime, I remain,

Yours sincerely,

Signed \_\_\_\_\_